

*clb*

*Prime Minister*

The Prime Minister

*Prepared before you meeting in*

*background this afternoon, but this still*

22 NOV 1989

*looks OK to me in the light of that discussion.*

*Agreed*

GRO-C

GRO-C

*24/11*

HAEMOPHILIACS WITH AIDS/HIV

Further to my minute to you of 17 November, and our subsequent meeting, I attach a draft statement setting out my proposals for additional financial support for haemophiliacs who have been infected with HIV. I propose to publish this statement by means of a written PQ on Thursday 23 November.

There is one consequence of this statement still to be settled. As you know, a number of haemophiliacs who have been infected with HIV are pursuing the case for compensation in the Courts. Many of these people rely on Legal Aid to do this and Legal Aid is, of course, means-tested. The one-off payment we are proposing to make for each family would render them ineligible for Legal Aid. It would clearly be politically unacceptable if it appeared we were seeking to prevent the court action from proceeding by means of this additional support, being made as a gesture of sympathy. I therefore hope that the Lord Chancellor, to whom I am copying this letter, will be able to agree that payments from the Macfarlane Trust, including the lump-sum payment, should be completely disregarded for the purposes of Legal Aid. Tony Newton has already agreed that the payments should be disregarded for the purposes of social security, and my draft statement makes this clear.

Copies of this minute go to the Lord President, Lord Chancellor, John Major, Norman Lamont, Tony Newton, Peter Walker, Malcolm Rifkind and Peter Brooke.

*Note*

GRO-C

*Prime Minister subsequently discussed the announcement with Mr. Clarke this morning, and it was agreed he would consider the possibility of increasing the initial award - the award payment of £10,000 within an unchanged overall £20m. package.*

K. C.

GRO-C

*23/11*